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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 003736

SIPDIS

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TAGS: PGOV ECON PINR IN

SUBJECT: PARLIAMENT CONCLUDES A STORMY YET PRODUCTIVE

SESSION

REF: NEW DELHI 3652

Classified By: Charge Robert O. Blake, Jr. for Reasons 1.4 (B, D)

11. (C) Summary: Despite BJP disruptions and a boycott of Parliament, the UPA and the Left Front (LF) passed crucial legislation and the budget during the session which ended May 13. Growing animosity between the BJP and the UPA underlies the inability of the parties to cooperate in Parliament, which is leading to popular dissatisfaction with these antics. The BJP is getting most of the blame and lawmaking will suffer if the two coalitions cannot work together in Parliament. End Summary.

Return to Boycott

- 12. (U) The 2005 budget session of Parliament (February 25-May 13) was marred by the discord and opposition walk-outs that have characterized the Lok Sabha since the UPA took office in May 2005. Loud conflicts on the floor brought business to a standstill, and rancor continued from the session's opening day until the opposition announced a boycott and walked out on April 27.
- ¶3. (U) Divisive issues included:
- --the NDA demand that the UPA dismiss Railway Minister Lalu Prasad Yadav, as he faces mounting legal pressure for alleged corruption; $\,$
- --Yadav's call for the dismissal of Gujarat Chief Minister Narendra Modi, after Lalu was attacked by BJP activists while conducting Ministry business in Gujarat;
- --Yadav's condemnation of the Election Commission for alleged impropriety in a Bihar by-election;
- --UPA demands that the GOI reject the Tehelka Committee Report absolving former Defense Minister George Fernandes of corruption charges, on the grounds that the Committee Chairman had accepted rides on Indian Air Force planes prior to his ruling on the case.
- --BSP leader Mayawati's condemnation of a GOI investigation of her "unexplained" wealth allegedly obtained through the "Taj Corridor" and fraud in Uttar Pradesh; and
- --BJP attacks against PM Singh as "the weakest Prime Minister ever," and accusations that he tried to prevent a meeting between former PM Vajpayee and Pakistani President Pervez Musharraf.

Growing Discord

- 14. (U) When the NDA walked out on April 27, it accused the UPA of "setting new and absolutely unacceptable norms of political conduct," and "gagging the voice of the opposition." Opposition leader LK Advani subsequently rejected the PM's appeal to end the boycott, claiming that it had been called not merely to demand Yadav's ouster, but to "convey the anger and anguish" of the opposition. The NDA also objected to a remark by Congress leader and Sonia Gandhi confidant Ambika Soni, calling on the NDA to "apologize" before returning to Parliament, as well as a statement by PM Press Adviser Sanjay Baru that the PM would make no more appeals to win NDA participation. Advani claimed that "the message is loud and clear that the opposition is not needed." Although NDA MPs returned for one day to debate the budget, the opposition boycott continued throughout the remainder of the session.
- 15. (U) As the boycott dragged on, there were signs that NDA unity was cracking. The press reported that former PM Vajpayee, Jaswant Singh and Yashwant Sinha argued in private for a return to Parliament, while LK Advani, George Fernandes and Janata Dal (U) leader Nitish Kumar were bent on staying out. By May 4, the Telegu Desam Party (TDP) of Andhra Pradesh announced that its support for the NDA was only "issue based."
- $\P6$. (U) After TDP MPs returned to Parliament, BJP leaders VK Malhotra and Sushma Swaraj dismissed the move as insignificant, claiming that the party was "free to choose

Smooth Sailing

- (U) Without the opposition present, the Left Front stepped into the role of "constructive opposition" abandoned by the BJP, and the UPA and LF got down to business. wrap-up May 15, Parliamentary Affairs Minister Ghulam Nabi Azad claimed that the session was among the "most productive of the past five years," pointing out that its 38 sittings were the highest number since 2002, and that the session had passed 26 pieces of legislation, including: the Patents (Amendment) Bill, the Prevention of Money Laundering Bill, the Right to Information Bill, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill (reftel), the Finance Bill, and the Credit Information Companies (Regulation) Bill, in addition to the Budget.
- (U) Parliament also approved the establishment of a Coastal Aquaculture Authority, and Special Economic Zones.
 In addition to approving the General and Railway Budgets, the MPs discussed the budgets of Goa and Bihar (currently under President's Rule), the functioning of government ministries, relief and rehabilitation of tsunami victims, agricultural issues, and reforming the education and criminal justice systems.
- (SBU) Parliament's passage of the Private Security Agencies (Regulation) Bill, which regulates the ownership and operation of privately owned security agencies, could directly impact Embassy operations. Article Six of the Bill directly impact Embassy operations. Article Six of the Bi appears to indicate that such companies must be majority owned by Indian citizens. Since the Mission retains a British-owned company, the Bill's impact is not yet clear.

The Last Laugh

- 110. (U) The Congress and its UPA allies capitalized on the NDA boycott, appearing conciliatory and magnanimous. At the conclusion of the session, the PM commended UPA parliamentarians while calling on absent members to return parliamentarians while calling on absent members to return for the next session so Parliament could resume "the normal tenor" of its work. "Once again," said the PM, "we end the session with a sense of regret and concern" as MPs had "ignored" the people's concerns by staying away from Parliament. The Parliamentary Affairs Minister invited the opposition MPs to come "in full strength" to the upcoming "monsoon session," saying "Parliament does not belong only to the ruling party. If any political party boycotts the proceedings, it does not enhance the prestige of the Parliament." Parliament.
- 111. (U) Congress Party President Sonia Gandhi was the most partisan. Deriding the NDA for "spreading canards against the Prime Minister in crude and offensive language, praised him for "going out of his way" to persuade the opposition MPs to return, saying "not even our most bitter critic can accuse our Prime Minister of being arrogant, subjective and or inconsiderate, yet this is what the BJP has done." Mrs. Gandhi also blamed the BJP boycott for Parliament's failure to pass the Rural Employment Guarantee Act, a crucial component of the UPA's Common Minimum Program, saying that the absence of BJP MPs prevented the bill from passing out of committee.

Comment

12. (C) Indian politics has always been nasty and acrimonious, but we cannot recall a Parliament session that has been so bitter. Personal animosity increasingly colors interaction between the rival parties. The Gandhi family loathes George Fernandes, much of the BJP leadership cannot stand Laloo Prasad Yadav, while Yadav has a personal vendetta against Narendra Modi. The antagonism has become so fierce that it prevents the orderly functioning of Parliament. Wiser heads within the BJP realize that a boycott is not an effective opposition strategy, and are urging the party to step back from the brink and return to a more constructive but appear incapable of convincing the party iners. Congress has benefited from this, but cannot hardliners. conduct parliamentary business in a credible manner over the long term without opposition participation. BJP performance at the July/August session of Parliament will confirm whether the party has learned its lesson from the outcome of the Budget session. BLAKE